

COMPENSATION REVIEW COMMISSION

Report of
Information Received by the Commission
and
Recommendations

October 4, 2006

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COMPENSATION REVIEW COMMISSION

Report of
Information Received by the Commission
and
Recommendations

October 4, 2006

Compensation Review Commission

R.S. 42:1481 - 1485

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Updated: September 28, 2006

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Compensation Review Commission

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Loy F. Weaver, Chairman

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November 1, 2006

The Honorable Joe R. Salter
Speaker of the House of Representatives
State Capitol
Baton Rouge, Louisiana 70804

The Honorable Donald E. Hines
President of the Senate
State Capitol
Baton Rouge, Louisiana 70804

Re: Compensation Review Commission
Report of Recommendations Adopted on October 4, 2006

Dear Speaker Salter and President Hines:

In accordance with R.S. 42:1485, the Compensation Review Commission submits to you the accompanying report. The commission met on October 4, 2006, and adopted recommendations for compensation of legislators and statewide elected officials. In addition to the commission's recommendations, the report includes the information received by the commission to assist the members in determining the commission's proposals as well as drafts of two Concurrent Resolutions and a Bill to implement the recommendations.

In arriving at these recommendations, the commission members took into consideration significant increases in the cost of living that have occurred during the years since the salaries of legislators and statewide elected officials have been increased. We believe that the commission's recommendations are reasonable and that the salaries we have recommended are comparable to those of officials in the Southern region.

The commission specifically requested that this report emphasize the continuing need, should these recommendations be adopted, to provide for future salary adjustments annually to meet cost-of-living changes in order to maintain fair and reasonable salaries over time.

Commission deliberations noted the failure of the legislature to act on prior commission recommendations for changes in benefits and salaries of legislators and statewide elected officials. It was the sentiment of the members present that this report should respectfully suggest that, if no legislative action is taken concerning these commission recommendations, the legislature may wish to find another means of addressing these compensation issues.

I want to thank the members of the commission for their work and the serious attention they have given to this important task.

Sincerely yours,

Loy F. Weaver

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REPORT OF THE COMPENSATION REVIEW COMMISSION

In accordance with action taken by the Compensation Review Commission at a meeting on October 4, 2006, the commission submits this report, including:

- A recommendation for an increase in salary for members of the legislature and a recommendation that the legislature abolish the unvouchered expense allowance for members of the legislature.
- A recommendation for an increase in the salary of the governor and other statewide elected officials.
- Drafts of Resolutions and statutory language to implement the commission's recommendations:
 - (1) Two draft Resolutions: one Resolution to adopt recommended salaries for members of the legislature and another Resolution to adopt recommended salaries for the governor and other statewide elected officials.
 - (2) A draft of a Bill to provide statutory changes to implement the commission's recommendation for abolition of the unvouchered expense allowance for members of the legislature.
- The information received by the commission for consideration in determining its recommendations.

COMMISSION RECOMMENDATIONS

for
Legislative Salary

as

Adopted by the Commission on October 4, 2006

Recommendation:

Salary/ Legislative Expense Allowance:

That the \$500-per-month unvouchered legislative expense allowance be eliminated and that this \$6,000 annual amount be added to the base salary of legislators, the presiding officers of the House and Senate, and the House speaker pro tempore and the Senate president pro tempore such that:

- (1) the annual base salary of each legislator shall be \$22,800;
- (2) the annual base salary of the House speaker and the Senate president shall be \$38,000; and
- (3) the annual base salary of the House speaker pro tempore and the Senate president pro tempore shall be \$30,500.

Further, that the annual base salary of each legislator be increased by 12% such that the salary of each legislator shall be \$25,536; that the annual base salary of the House speaker and the Senate president be increased by 12% such that the annual salary of each presiding officer shall be \$42,560; that the annual base salary of the House speaker pro tempore and the Senate president pro tempore be increased by 12% such that the annual salary of the House speaker pro tempore and the Senate president pro tempore be \$34,160.

Proposed salaries are summarized in the table below:

	Current Base Salary	+\$6,000	Subtotal	12%	Total-Proposed Salary
Legislators	\$16,800	\$6,000	\$22,800	\$2,736	\$25,536
Presiding Officers	\$32,000	\$6,000	\$38,000	\$4,560	\$42,560
Pro Tempores	\$24,500	\$6,000	\$30,500	\$3,660	\$34,160

Effective Date:

That the salary increases recommended be effective at the beginning of the term of office for members of the legislature on January 14, 2008.

Explanation:

The 12% increase in salary is based on the total cost-of-living increases for 2003 (2.3%), 2004 (2.7%), 2005 (3.4%), and 2006 (projected 3.5%).

COMMISSION RECOMMENDATIONS
for
Salary for the Governor and Statewide Elected Officials
As
Adopted by the Commission on October 4, 2006

Recommendation:

Governor:

That the annual salary of the governor shall be \$130,000.

Statewide elected officials - Lieutenant Governor, Secretary of State, Attorney General, Treasurer, Commissioner of Agriculture, and Commissioner of Insurance:

That the annual salary of each of the other state officials elected statewide shall be \$115,000.

Proposed salaries are summarized in the table below:

	Current Salary	Proposed Salary
Governor	\$95,000	\$130,000
Statewides	\$85,000	\$115,000

Effective Date:

That the salary increases recommended be effective July 1, 2007.

Explanation:

The increase is recommended after review of the average compensation of governors and statewide elected officials of the southern region states and the compensation of the chief justice of the Louisiana Supreme Court.

DRAFT INSTRUMENTS

■ **Legislators**

Bill: Removes provisions for the \$500 unvouchered monthly expense allowance

Concurrent Resolution: Approves the salaries for legislators as recommended by the Compensation Review Commission

■ **Statewide Elected Officials**

Concurrent Resolution: Approves the salaries for statewide elected officials as recommended by the Compensation Review Commission

BILL:

Removes provisions for the \$500 unvouchered monthly expense allowance

HOUSE BILL NO.

BY

LEGISLATORS: Repeals provisions for the unvouchered monthly expense allowance for members of the legislature

1 AN ACT

2 To repeal R.S. 24:31.1(E), to remove provisions for the unvouchered monthly expense allowance
3 for members of the legislature.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 24:31.1(E) is hereby repealed in its entirety.

6 Section 2. This Act shall become effective if and when House Concurrent Resolution No.
7 _____ of the 2007 Regular Session, adopting the increases in salary for members of the
8 legislature recommended by the Compensation Review Commission, becomes effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

HB No.

Abstract: Removes provisions for the \$500 unvouchered monthly expense allowance for legislators.

Present law provides that in addition to the salary, compensation, and all other allowances provided by law for members of the legislature, each member of the legislature shall be paid a monthly expense allowance in the amount of \$500 per month for expenses in connection with the holding or conduct of his office.

Proposed law repeals provisions for the \$500 monthly expense allowance in present law.

Effective if and when House Concurrent Resolution No. _____ of the 2007 Regular Session, adopting the increases in salary for members of the legislature recommended by the Compensation Review Commission, becomes effective.

(Repeals R.S. 24:31.1(E))

CONCURRENT RESOLUTION:

Approves salaries for legislators as recommended by the Commission

HOUSE CONCURRENT RESOLUTION NO.

BY

ELECTED OFFICIALS/COMP: Approves salaries for legislators as recommended by the
Compensation Review Commission

1 A CONCURRENT RESOLUTION

2 To approve the salaries for members of the legislature recommended by the Compensation
3 Review Commission in accordance with law and to provide an effective date for such
4 salaries.

5 WHEREAS, the Compensation Review Commission is required by law to make a study
6 of the salaries, expenses, reimbursements, other forms of compensation, and benefits of statewide
7 elected officials and members of the legislature; and

8 WHEREAS, the commission must submit its recommendations concerning such salaries,
9 expenses, reimbursements, other forms of compensation, and benefits to the legislature sixty days
10 prior to the commencement of any regular session in an odd-numbered year and may submit a
11 report to the legislature at any regular session in an odd-numbered year; and

12 WHEREAS, the law further provides that, if approved by concurrent resolution adopted
13 by a favorable vote of the majority of the elected members of each house according to the same

1 procedures and formalities required for the passage of a bill, except for submission to the
2 governor, the salaries recommended in the report shall take effect on the day recommended by the
3 commission in the report; and

4 WHEREAS, the law further provides that the concurrent resolution specify such effective
5 date for the salaries; and

6 WHEREAS, the law further provides that, other than recommended salaries, any other
7 recommendation of the commission may be implemented only as provided by such change in law,
8 resolution, rule, or policy as is necessary to provide for such implementation; and

9 WHEREAS, the Compensation Review Commission held extensive public meetings prior
10 to the 2001 Regular Session of the Legislature, including meetings on January 19, 2000; February
11 8, 9, and 10, 2000; February 16, 2000; September 28 and 29, 2000; January 8, 2001; and January
12 22, 2001, and the commission received testimony and information from a great number of
13 organizations and individuals, including but not limited to the governor, statewide elected officials
14 or their representatives, a number of secretaries of executive branch departments, the presiding
15 officers of the House of Representatives and the Senate, the clerk of the House of Representatives
16 and the secretary of the Senate, members of the legislature and former members of the legislature,
17 and lobbyists; and

18 WHEREAS, the commission devoted much time and effort to receiving testimony and
19 information and to discussing and deliberating about the appropriate salary amounts and other
20 compensation and benefits which should be provided for members of the legislature and statewide
21 elected officials and submitted the recommendations adopted by the commission together with
22 substantial documentation in a report to the legislature prior to the 2001 Regular Session as
23 required by law; and

24 WHEREAS, the commission then met on May 14, 2003, and reviewed, updated, adopted,

1 and submitted its recommendations to the presiding officers of the two houses of the legislature
2 pursuant to law; and

3 WHEREAS, the commission then met on February 21, 2005, and reviewed, discussed, and
4 deliberated its previous recommendations in addition to a variety of information regarding the
5 compensation of statewide elected officials and members of the legislature from several sources
6 and submitted its recommendations to the presiding officers of the two houses of the legislature
7 pursuant to law; and

8 WHEREAS, the commission met again on October 4, 2006, and reviewed, discussed, and
9 deliberated its previous recommendations and considered additional testimony and information
10 regarding the compensation of statewide elected officials and members of the legislature from
11 several sources; and

12 WHEREAS, the commission, after careful consideration, adopted as its recommendation
13 that, provided R.S. 24:31.1(E), which provides for an unvouchered expense allowance for
14 legislators, is repealed, each member of the legislature, except the president and the president pro
15 tempore of the Senate and the speaker and the speaker pro tempore of the House of
16 Representatives, be paid a salary of twenty-five thousand five hundred thirty-six dollars per
17 annum; that the president pro tempore of the Senate and the speaker pro tempore of the House of
18 Representatives be paid a salary of thirty-four thousand one hundred sixty dollars per annum; and
19 that the president of the Senate and the speaker of the House of Representatives be paid a salary
20 of forty-two thousand five hundred sixty dollars per annum; and

21 WHEREAS, the commission based these recommended increases in salary upon estimated
22 increases in the cost of living that have occurred during the years since the salaries for members
23 of the legislature were increased, and specifically such increases for the years 2003 through 2006,
24 and upon salaries for officials in the Southern region; and

1 WHEREAS, the commission submitted a report of the recommendations it adopted
2 together with the information considered by the commission to the presiding officers of the two
3 houses of the legislature pursuant to law.

4 THEREFORE, BE IT RESOLVED that, provided R.S. 24:31.1(E) is repealed, the
5 Legislature of Louisiana does hereby approve the recommendations of the commission that each
6 member of the legislature, except the president and the president pro tempore of the Senate and
7 the speaker and the speaker pro tempore of the House of Representatives, be paid a salary of
8 twenty-five thousand five hundred thirty-six dollars per annum; that the president pro tempore of
9 the Senate and the speaker pro tempore of the House of Representatives be paid a salary of thirty-
10 four thousand one hundred sixty dollars per annum; and that the president of the Senate and the
11 speaker of the House of Representatives be paid a salary of forty-two thousand five hundred sixty
12 dollars per annum as discussed in the report of the Compensation Review Commission to the
13 legislature, submitted in 2006 as provided by law.

14 BE IT FURTHER RESOLVED that, as provided in the report of the Compensation Review
15 Commission, the salaries for members of the legislature, for the president of the Senate and the
16 speaker of the House of Representatives, and for the president pro tempore of the Senate and the
17 speaker pro tempore of the House of Representatives approved by this Resolution shall become
18 effective at the beginning of the term of office for members of the legislature on January 14, 2008.

19 BE IT FURTHER RESOLVED that the salaries of the members of the legislature approved
20 by this Resolution shall be paid in the same manner as legislative salaries have been paid prior to
21 the adoption of this Resolution.

22 BE IT FURTHER RESOLVED that copies of this Resolution shall be transmitted to the
23 speaker of the House of Representatives and the president of the Senate.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

HCR No.

Abstract: Approves salary increases for members and officers of the legislature as recommended by the Compensation Review Commission pursuant to law.

Present law (R.S. 42:1481 et seq.) requires the Compensation Review Commission to study the salaries, expenses, reimbursements, other forms of compensation, and benefits of statewide elected officials and members of the legislature. Requires that the commission submit its recommendations concerning such salaries, expenses, reimbursements, other forms of compensation, and benefits of these officials to the legislature 60 days prior to any regular session in an odd-numbered year and authorizes submission of a report every two years at any regular legislative session in an odd-numbered year. Provides that, if approved by concurrent resolution adopted by a favorable vote of the majority of the elected members of each house, the salaries recommended in the report shall take effect on the day recommended by the commission in the report. Requires that the resolution specify such effective date. Requires that the resolution be adopted according to the same procedures and formalities required for the passage of a bill, except for submission to the governor. Specifies that, other than the recommended salaries, any other commission recommendation may be implemented only as provided by such change in law, resolution, rule, or policy as is necessary to provide for such implementation.

Present law (R.S. 24:31.1, 502, 504, 506, and 507) provides that members of the legislature, except the president and the president pro tempore of the Senate and the speaker and the speaker pro tempore of the House of Representatives, are paid a salary of \$16,800 per year. Provides that the speaker of the House of Representatives and the president of the Senate are each paid a salary of \$32,000 per year. Provides that the speaker pro tempore of the House of Representatives and the president pro tempore of the Senate are each paid a salary of \$24,500 per year. Provides that members of the legislature are paid a \$500 unvouchered monthly expense allowance.

Proposed resolution approves the salaries for legislators recommended in the report of the Compensation Review Commission to the legislature, submitted to the presiding officers in 2006 pursuant to law, based on estimated increases in the cost of living that have occurred during the years since the salaries for members of the legislature were increased (and specifically increases for 2003 - 2006) and upon salaries for officials in the Southern region. The report contains the following recommended salaries, provided that R.S. 24:31.1(E) (the monthly unvouchered expense allowance) is repealed:

Members of the Legislature	\$25,536
Speaker of the House and Senate president	\$42,560

Speaker pro tempore and
president pro tempore

\$34,160

Proposed resolution provides that the salaries so approved shall become effective at the beginning of the term of office for members of the legislature on January 14, 2008.

Proposed resolution provides that the salaries of legislators so approved shall be paid in the same manner as legislative salaries have been paid prior to the adoption of proposed resolution.

CONCURRENT RESOLUTION:

Approves salaries for statewide elected officials as recommended by the Commission

HOUSE CONCURRENT RESOLUTION NO.

BY

ELECTED OFFICIALS/COMP: Approves salaries for statewide elected officials as recommended
by the Compensation Review Commission

1 A CONCURRENT RESOLUTION

2 To approve the salaries for statewide elected officials recommended by the Compensation
3 Review Commission in accordance with law; to authorize and direct the state treasurer
4 to pay the salaries so approved; and to provide an effective date for such salaries.

5 WHEREAS, the Compensation Review Commission is required by law to make a study
6 of the salaries, expenses, reimbursements, other forms of compensation, and benefits of statewide
7 elected officials and members of the legislature; and

8 WHEREAS, the commission must submit its recommendations concerning such salaries,
9 expenses, reimbursements, other forms of compensation, and benefits to the legislature sixty days
10 prior to the commencement of any regular session in an odd-numbered year and may submit a
11 report to the legislature at any regular session in an odd-numbered year; and

12 WHEREAS, the law further provides that, if approved by concurrent resolution adopted

1 by a favorable vote of the majority of the elected members of each house according to the same
2 procedures and formalities required for the passage of a bill, except for submission to the
3 governor, the salaries recommended in the report shall take effect on the day recommended by
4 the commission in the report; and

5 WHEREAS, the law further provides that the concurrent resolution specify such effective
6 date for the salaries; and

7 WHEREAS, the law further provides that, other than recommended salaries, any other
8 recommendation of the commission may be implemented only as provided by such change in
9 law, resolution, rule, or policy as is necessary to provide for such implementation; and

10 WHEREAS, the Compensation Review Commission held extensive public meetings prior
11 to the 2001 Regular Session of the Legislature, including meetings on January 19, 2000; February
12 8, 9, and 10, 2000; February 16, 2000; September 28 and 29, 2000; January 8, 2001; and January
13 22, 2001, and the commission received testimony and information from a great number of
14 organizations and individuals, including but not limited to the governor, statewide elected
15 officials or their representatives, a number of secretaries of executive branch departments, the
16 presiding officers of the House of Representatives and the Senate, the clerk of the House of
17 Representatives and the secretary of the Senate, members of the legislature and former members
18 of the legislature, and lobbyists; and

19 WHEREAS, the commission devoted much time and effort to receiving testimony and
20 information and to discussing and deliberating about the appropriate salary amounts and other
21 compensation and benefits which should be provided for members of the legislature and
22 statewide elected officials and submitted the recommendations adopted by the commission
23 together with substantial documentation in a report to the legislature prior to the 2001 Regular
24 Session as required by law; and

1 WHEREAS, the commission then met on May 14, 2003, and reviewed, updated, adopted,
2 and submitted its recommendations to the presiding officers of the two houses of the legislature
3 pursuant to law; and

4 WHEREAS, the commission then met on February 21, 2005, and reviewed, discussed,
5 and deliberated its previous recommendations in addition to a variety of information regarding
6 the compensation of statewide elected officials and members of the legislature from several
7 sources and submitted its recommendations to the presiding officers of the two houses of the
8 legislature pursuant to law; and

9 WHEREAS, the commission met again on October 4, 2006, and reviewed, discussed, and
10 deliberated its previous recommendations and considered additional testimony and information
11 regarding the compensation of the state judiciary, other state employees and officials, and
12 statewide elected officials; and

13 WHEREAS, the commission, after careful consideration, adopted as its recommendation
14 that the governor be paid a salary of one hundred thirty thousand dollars per year and that other
15 statewide elected officials be paid a salary of one hundred fifteen thousand dollars per year; and

16 WHEREAS, the commission based these recommended increases in salary upon
17 estimated increases in the cost of living that have occurred during the years since the salaries for
18 statewide elected officials were increased and upon salaries for officials in the Southern region;
19 and

20 WHEREAS, the commission submitted a report of the recommendations it adopted
21 together with the information considered by the commission to the presiding officers of the two
22 houses of the legislature pursuant to law.

23 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby approve
24 the recommendations of the commission that the governor be paid a salary of one hundred thirty

1 thousand dollars per year and that other statewide elected officials be paid a salary of one hundred
2 fifteen thousand dollars per year.

3 BE IT FURTHER RESOLVED that the state treasurer is authorized and directed to pay
4 warrants for the salaries of statewide elected officials approved by this Resolution.

5 BE IT FURTHER RESOLVED that, as provided in the report of the Compensation
6 Review Commission, the salaries for statewide elected officials approved by this Resolution
7 shall become effective on July 1, 2007, and that the salary increases for each such official shall
8 be funded from the existing revenues of each respective department or office.

9 BE IT FURTHER RESOLVED that a copy of this Resolution shall be transmitted to the
10 state treasurer.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

HCR No.

Abstract: Approves salary increases for the governor and statewide elected officials as recommended by the Compensation Review Commission pursuant to law.

Present law (R.S. 42:1481 et seq.) requires the Compensation Review Commission to study the salaries, expenses, reimbursements, other forms of compensation, and benefits of statewide elected officials and members of the legislature. Requires that the commission submit its recommendations concerning such salaries, expenses, reimbursements, other forms of compensation, and benefits to the legislature 60 days prior to any regular session in an odd-numbered year and authorizes submission of a report every two years at any regular legislative session in an odd-numbered year. Provides that, if approved by concurrent resolution adopted by a favorable vote of the majority of the elected members of each house, the salaries recommended in the report shall take effect on the day recommended by the commission in the report. Requires that the resolution specify such effective date. Requires that the resolution be adopted according to the same procedures and formalities required for the passage of a bill, except for submission to the governor. Specifies that, other than the recommended salaries, any other commission recommendation may be implemented only as provided by such change in law, resolution, rule, or policy as is necessary to provide for such implementation.

Present law (R.S. 36:10) provides that the governor is paid a salary of \$95,000 per year and that

all other statewide elected officials are paid a salary equal to the salary of the chief justice of the state supreme court as of October 1, 1995 (\$85,000).

Proposed resolution approves the salaries for statewide elected officials recommended in the report of the Compensation Review Commission to the legislature, submitted to the presiding officers in 2006 pursuant to law. The report provides the following recommended salaries based upon estimated increases in the cost of living that have occurred during the years since the salaries for statewide elected officials were increased and upon salaries for officials in the Southern region:

Governor	\$130,000
Other statewide elected officials	\$115,000

Proposed resolution authorizes and directs the state treasurer to pay warrants for the salaries so approved.

Proposed resolution provides that the salaries so approved shall become effective on July 1, 2007, and that the salary increases for each such official shall be funded from the existing revenues of each respective department or office.

APPENDICES

Minutes of Meeting (10/4/06)

- Attachment A: Compensation Review Commission law (R.S. 42:1481-1485)
- Attachment B: "Top Executives in State Government", information provided by the Louisiana Department of State Civil Service ranking top executives by annual salary
- Attachment C: Memorandum dated October 4, 2006, relative to "Executive Branch Officials and Employees Making \$85,000 or More"
- Attachment D: Memorandum dated October 2, 2006, relative to "Compensation of Judges"
- Attachment E: Consumer Price Index information from the U.S. Bureau of Labor Statistics
- Attachment F: Excerpt from *The Book of the States*, The Council of State Governments, Lexington, Kentucky, 2006, relative to executive branch officials compensation
- Attachment G: Memorandum dated October 4, 2006, relative to "Statewide Elected Officials: Current Salaries, Most Recent Commission Recommendation, and Recent Legislative Activity"
- Attachment H: Memorandum dated October 2, 2006, relative to "Compensation of Sheriffs"
- Attachment I: "Mayors Salary Report" furnished by the Louisiana Municipal Association on September 28, 2006
- Attachment J: "Police Chiefs Salary Report" furnished by the Louisiana Municipal Association on October 1, 2006
- Attachment K: Press release from the office of the governor on September 25, 2006, headlined as "Louisiana teacher pay closer than ever before to SREB average"
- Attachment L: Excerpt from *The Book of the States*, The Council of State Governments, Lexington, Kentucky, 2006, relative to legislative compensation
- Attachment M: Article from the National Conference of State Legislatures in June 2004, updated October 2005, headlined "Full- and Part-Time Legislatures"
- Attachment N: Memorandum dated October 4, 2006, relative to Legislators: Current Salaries, Most Recent Commission Recommendation, and Recent Legislative Activity

COMPENSATION REVIEW COMMISSION

Minutes of Meeting

October 4, 2006

I. CALL TO ORDER

Mr. Loy Weaver, Chairman of the Compensation Review Commission, opened the meeting by saying that the commission is meeting pursuant to the statute creating the commission. R.S. 42:1481 - 1485 (Attachment A) specifies that the commission is required to make a study of the salaries, expenses, reimbursements, other forms of compensation, and benefits of statewide elected officials and members of the legislature and submit its recommendations to the legislature 60 days prior to the commencement of any regular session in an odd-numbered year.

He suggested that the commission receive testimony today and formulate recommendations or schedule another meeting after the beginning of the year to make recommendations due to scheduling conflicts of commission members for the remainder of the year.

The meeting was officially called to order at 2:07 p.m. in House Committee Room 4, State Capitol, Baton Rouge, Louisiana. The secretary called the roll.

II. ROLL CALL

Members Present:

Mr. Loy Weaver, Chairman
Mr. Ronald Goux
Dr. William L. Jenkins
Dr. Jacqueline Mims
Mr. John Squires, Vice Chairman

Members Absent:

Mr. Richard Gill
Mr. Raymond Laborde
Mr. Daniel F. Packer, Jr.
Dr. Charles C. Teamer, Sr.

Staff Members Present:

Anne Dunn, House Legislative Services, Governmental Affairs Division Director
Patricia Lowrey-Dufour, House Legislative Services, Legislative Analyst
Mark Mahaffey, House Legislative Services, Attorney
Yolanda Dixon, Senate Administration Services, First Assistant Secretary of the Senate
Rhonda R. Repetowski, House Legislative Services, Administrative Secretary

III. DISCUSSION

Mr. Weaver recognized Mr. Bob Odom, Commissioner of Agriculture and Forestry. He thanked Commissioner Odom for attending the meeting and providing testimony.

Commissioner Odom directed attention to a handout entitled *Top Executives in State Government* (Attachment B). Information contained in the document was provided by the Louisiana Department

of State Civil Service and ranked top executives by annual salary. The annual salaries listed range from \$425,000 to the \$85,000 salary of statewide elected officials.

Commissioner Odom stated that the salaries of statewide elected officials are equal to that earned by the chief justice in 1995. Since that time, he said, the salary of the chief justice has increased considerably. He asked the commission members to look at the feasibility of increasing the salary of the statewide elected officials to equal that of the chief justice. He suggested the commission could then decide upon an additional amount to compensate the governor.

Commissioner Odom encouraged the commission to support separate resolutions to effect the recommended salary increases. He stated his support for one resolution to address increases for statewide elected officials and a separate resolution to address increases for legislators.

Upon inquiry from Mr. Weaver, Commissioner Odom stated that the highest salary paid to an executive in state government is \$425,000. Commissioner Odom went on to say that he has entered the Deferred Retirement Option Plan (DROP) so his retirement will not be affected by any increase realized. He stated that he does plan to run for office again.

Upon questioning from Mr. Weaver, Commissioner Odom responded that his department budget was slightly over \$100 million. Commissioner Odom said the recommended salaries of his employees were detailed in documentation provided during the budgeting process which requires legislative approval.

Mr. Weaver, referring to the memorandum prepared by House Legislative Services staffers Patricia Lowrey-Dufour and Mark Mahaffey dated October 4, 2006, regarding "Executive Branch Officials and Employees Making \$85,000 or More" (Attachment C), said that 39 employees of the Department of Agriculture and Forestry earn more than \$85,000. Mr. Weaver said this memorandum included information from each department and was available as a public record.

Commissioner Odom agreed that his budget was one of the largest, probably behind the Department of Health and Hospitals, Department of Education, and Department of Transportation and Development.

Still referring to the memorandum, Mr. Weaver stated that a total of 3,550 individuals earn a salary greater than \$85,000.

Mr. Squires asked Commissioner Odom if he knew the current salary earned by the chief justice and if the salary was increased on an annual basis. Commissioner Odom stated that he was not certain of the current salary, but was aware that their salary increases were effected by a Judicial Compensation Commission which is very similar to this commission. Commissioner Odom stated the recommendations of the Judicial Compensation Commission were subject to legislative approval.

Mr. Weaver referred to the memorandum prepared by Yolanda Dixon, First Assistant Secretary of the Senate, dated October 2, 2006, regarding "Compensation of Judges" (Attachment D). He said the total current salary of the supreme court chief justice as of July 1, 2006, was \$129,806 which

includes additional compensation from the Judges' Supplemental Compensation Fund (JSCF).

Mr. Squires stated his understanding that the salary of the chief justice in 1995 was comparable to that which was set for statewide elected officials. Commissioner Odom said that statement was correct and said he believed that their raise became effective in January, 1996. Commissioner Odom said that he has been commissioner for over 20 years and has only received two pay increases.

Mr. Squires said that the Judicial Compensation Commission has been operating longer than this commission and their recommendations seem to result in more favorable action.

Commissioner Odom suggested that he was in favor of the salary of the statewide elected officials being increased to equal that of the chief justice and the commission could, in the future, support resolutions to grant increases on some sort of recurring basis.

Mr. Squires said he has been a commission member since the commission was established. He stated that the legislature has not, to date, acted on any recommendation made. Mr. Squires said he feels strongly that the recommendations of the commission should be given due consideration, or he fears a lack of interest in serving on the commission will result.

Commissioner Odom stated that he was of the opinion that the commission has always had very competent commission members. He agreed that the recommendations of the commission should be acted upon.

Mr. Goux directed the attention of the members to the first paragraph of the memorandum including compensation of judges which detailed reporting action of the Judicial Compensation Commission and subsequent legislative action.

Commissioner Odom said that the governor had made past statements that she would not be in support of increases until the teachers of the state obtained raises. The teachers have gotten an increase, maybe not what we'd like to see, he said, but they did get an increase.

Mr. Weaver commented that some believe raises should not be granted since the officials knew of the salary when running for office. He said he was of the opinion that salaries cannot always remain stagnant.

Commissioner Odom said he believed the salary when he first ran for office was \$35,000. He said if that salary had never been increased, candidates would not be willing to serve.

Mr. Weaver commented that the staff did an exhaustive job of gathering information when the commission began its work in 2000. He said the original recommendations of the commission were based on all of this information. One recommendation of the commission adopted on February 16, 2000, was that no changes in the salaries of statewide elected officials or legislators be made pending further study by the commission. On January 22, 2001, the commission then recommended that the salary of statewide elected officials be \$125,933 and the salary of the governor be \$150,933.

Mr. Weaver said the commission tried to make a reasonable recommendation, disregarding the

political aspects of a salary adjustment. The commission then determined other factors should be considered such as the teacher pay increases. In light of the fact that no one wanted to give any increases, he continued, by stating that the 2005 recommendations only included adjustments for increases in the cost of living for 2003 (2.3%), 2004 (2.7%), and an estimate for 2005 (2.0%).

Mr. Weaver commented that the Judicial Compensation Commission has been a little more successful in presenting these needs to the legislature.

Mr. Weaver stated that the commission would ask the legislature to repeal the statute that created the Compensation Review Commission if they are not going to take a serious look at recommendations proposed by the commission.

Commissioner Odom also suggested that any salary increases granted be funded from the existing budget of each respective department.

Dr. Jenkins stated his opinion, expressing strong support of annual cost-of-living adjustments.

Upon inquiry from Mr. Squires and review of the statute creating the Compensation Review Commission, it was determined that the commission could recommend a base salary and include in the recommendation that adjustments be made annually based on the annual Consumer Price Index inflation percentage (Attachment E). The commission should review the recommendation every two years, he stated, and could recommend in favor of, or in opposition to, a cost-of-living adjustment being given. Again, the legislature would have to act upon the recommendation, but the commission could make that recommendation.

Commissioner Odom said that the salaries of statewide elected officials while he has been in office have been as follows: \$37,400 in 1980, \$60,169 in 1981, and \$85,000 in 1996. Commissioner Odom said that the classified and unclassified employees in his department receive a four percent increase every year.

Mr. Weaver stated an example of the commission recommending that the salary of statewide elected officials be equal to that of the supreme court justice and that each year they be given a cost-of-living increase. But that, he said, would not go into effect unless approved by the legislature.

After consultation with staff, Mr. Weaver confirmed that since the commission could recommend applicable effective dates for increases, the above recommendation could be made. Mr. Weaver stated that the last recommendations would have been effective July 1, 2006, if acted upon by the legislature during the 2005 Regular Session.

There being no further questions for Commissioner Odom, Mr. Weaver thanked him for his appearance and testimony.

Dr. Mims stated that she had two issues of concern. One being the legislature taking seriously and giving attention to commission recommendations. She is of the opinion that if the legislature does not do so, then there is no purpose of the commission. The second issue, she said in agreement with Dr. Jenkins, is with regard to the purchasing power of the dollar. Problems will continue if, at a

minimum, a cost-of-living increase is not given on a recurring basis.

Dr. Mims said elected officials and their families make tremendous sacrifices that are far reaching. She said that the laborer is worthy of his hire. She is most concerned about those persons who have the passion to run for an elected position, those who are really concerned about their communities, but financially cannot serve in the position because of the compensation.

Dr. Mims stated that she was of the opinion that, at the very least, the recommendation should be a cost-of-living increase, but she is also in support of the salaries being equivalent to that of the chief justice.

Upon request for clarification from Mr. Squires, Mr. Weaver stated that past recommendations provided for the same salary for all of the statewide elected officials and a higher salary for the governor.

Dr. Mims said she was in favor of the same salary for all of the statewide elected officials, including the governor. She later clarified that she wanted to discuss the salaries of the governor and statewide elected officials together, not that she was supportive of them all having the same salary.

Mr. Squires asked for an explanation of the Judges' Supplemental Compensation Fund (JSCF) salary. Mr. Weaver responded that this is supplemental compensation.

Mr. Weaver said that the commission, in the past, has tried to clearly identify salary as salary. One of the problems with regard to determining legislative compensation, he continued, is calling certain things expenses rather than salary.

Referring to the memorandum relative to compensation of judges, Mr. Weaver stated the salary of the supreme court chief justice is \$129,806. The salary of elected officials was tied to the salary of the chief justice in 1996.

Mr. Weaver stated his opinion that it would be justifiable to the public to recommend that the salary of the governor be equal to that of the supreme court chief justice.

Dr. Jenkins asked how Louisiana would compare to other states if the commission recommended that the salary be equal to that of the supreme court chief justice. Members referred to an excerpt from *The Book of the States: 2006 Edition* (Attachment F). Mr. Weaver said the commission would not be out of line with that recommendation after viewing comparables from the southern region.

Dr. Mims stated her agreement with Dr. Jenkins in suggesting that \$129,806 is a good starting point for discussion.

Mr. Weaver suggested an effective date could be included in a motion being considered by Dr. Mims. The 2005 recommendation included an effective date of July 1, 2005, but past recommendations have been tied to the beginning of a new term of office, Mr. Weaver said.

Mr. Goux commented that if the commission approves recommendation of \$129,806, that

recommendation is based not only on cost-of-living increases but also on bringing the salary in line with that of comparable southern states in the \$125,000 to \$130,000 range. If the commission includes in its recommendation that a cost-of-living adjustment be added each year, then the salaries would be adjusted routinely, eliminating the need to play catch-up in the future. If done within that department's budget, he continued, criticism of appropriating new money should not be an issue.

Unless this commission is abolished by the legislature, Mr. Weaver stated, the commission must meet every two years and may submit a report at any regular session of the legislature in an odd-numbered year.

Dr. Mims suggested the commission discuss recommending the salary of the governor at an amount of \$130,000, rather than being tied to that of the chief justice of the supreme court. Additionally, she understands the consensus of the commission to be in favor of the salaries being paid not from additional appropriations, but from within the respective departmental budgets which are subject to legislative approval.

Mr. Goux said he is in support of the commission reviewing the average compensation of the governor in the southern region states and adjusting the salary of Louisiana's governor in that manner rather than tying it to that of the chief justice of the supreme court.

Dr. Jenkins said he is supportive of saying that the salary of the chief justice was taken into consideration, but the salary to be recommended by the commission was not solely based on that amount.

Mr. Squires pointed out that in one state, the governor is not the most highly paid elected official.

Dr. Jenkins agreed that the salary of the governor should be marginally more than other statewide elected officials. Upon inquiry, Governmental Affairs Division Director Anne Dunn replied that according to the source line, the salary figures included in the information were obtained by The Council of State Governments' survey of state personnel agencies, January 2005 and January 2006.

A motion was made by Dr. Mims, seconded by Mr. Squires, that the annual salary of the governor be \$130,000 and that the salary increase recommended be effective July 1, 2007. There being no objection, the motion passed unanimously by a vote of 5 yeas and 0 nays. Mr. Weaver, Mr. Goux, Dr. Jenkins, Dr. Mims, and Mr. Squires voted yea.

Mr. Weaver said the next issue to resolve is the salary of the other statewide elected officials.

A motion was made by Mr. Squires, seconded by Dr. Jenkins, that the annual salary of the statewide elected officials (lieutenant governor, secretary of state, attorney general, treasurer, commissioner of agriculture, and commissioner of insurance) be \$115,000 and that the salary increase recommended be effective July 1, 2007. There being no objection, the motion passed unanimously by a vote of 5 yeas and 0 nays. Mr. Weaver, Mr. Goux, Dr. Jenkins, Dr. Mims, and Mr. Squires voted yea.

A table reflecting these motions is as follows:

<i>Effective 7/1/07</i>	Current Salary	Proposed Salary
Governor	\$95,000	\$130,000
Statewides	\$85,000	\$115,000

Mr. Weaver, expressing the feelings of the commission members, seriously urged the legislature to adopt these recommendations. If the recommendations are not acted upon, he stated, the legislature should consider alternative methods to address these issues.

Dr. Jenkins again stated his strong support for cost-of-living adjustments being given annually. He said his comment does not fit into the motion, but should be included as an addendum or comment. It would be extremely helpful if cost-of-living adjustments were kept in place, he said. Mr. Weaver agreed that while the comment was not a specific recommendation, the language should be noted and should be considered by the legislature.

Other information provided to the commission members includes the following:

Memorandum prepared by House Legislative Services Staff Patricia Lowrey-Dufour, dated October 4, 2006, relative to the current salaries, recent commission recommendations, and related legislative activity concerning statewide elected officials (Attachment G).

Memorandum prepared by First Assistant Secretary of the Senate Yolanda Dixon, dated October 2, 2006, relative to the compensation of sheriffs (Attachment H).

A Mayors' Salary Report furnished to the commission by the Louisiana Municipal Association on September 28, 2006 (Attachment I).

A Police Chiefs' Salary Report furnished to the commission by the Louisiana Municipal Association on October 1, 2006 (Attachment J).

A press release from the office of the governor, published on September 25, 2006, regarding average teacher salary (Attachment K).

The commission recessed for a five-minute break.

After resuming from the short break, Ms. Dunn reviewed the 2005 recommendations for legislative salary per Mr. Squires request. She said a 7% increase, based on cost-of-living increases since the previous recommendation, was recommended. The recommendation also included eliminating the unvouchered expense allowance but included the amount in the salary resulting in adding \$6,000 per year into the salary after having increased it by 7%, which came to \$23,976 for members, \$40,240 for presiding officers, and \$32,215 for the pro tempores.

Upon inquiry, Ms. Lowrey-Dufour stated that the legislative salary had been increased to \$16,800 in 1980. Effective in 1997, she stated, the legislature began receiving the \$500 per month unvouchered expense which is counted as salary.

Mr. Weaver questioned the increase that occurred in 1976. After review, Ms. Lowrey-Dufour confirmed that in 1976 the salary was increased from \$500 per month to \$1,000 per month. In 1980, she stated, the compensation was increased from \$12,000 to \$16,800.

Mr. Weaver stated his support, and acknowledged that of the commission in past discussions and recommendations, to label salary as salary and not have additional monies being paid in other forms such as expenses. Any unvouchered expense allowance should be treated as salary, he said.

Mr. Weaver clarified that the last recommendation was really only a 7% increase, plus \$6,000 in lieu of the unvouchered expense allowance.

Mr. Squires asked why legislators did not address these issues in the past. Mr. Weaver said that in 2005 the governor was not in support of any increases until the teachers received a substantial increase. Most legislators, he opined, also did not wish to address the issue of increases at that time.

Mr. Weaver clarified comments made by Dr. Jenkins who suggested adding \$6,000 (eliminating the unvouchered expense allowance) to the base salary of \$16,800 and then applying a 10% to 12% cost-of-living adjustment.

Ms. Dunn said that would equate to \$22,800 ($\$16,800 + \$6,000$) as a base salary, plus 10% (\$2,280) for a total of \$25,080.

Dr. Jenkins said that 10% may not be sufficient if the cost-of-living increase for 2006 is around 3.5%.

Mr. Weaver pointed out that the last recommendations included a cost-of-living increase from the date of the previous commission recommendation. The commission did not include cost-of-living increases all the way back to 1997, he said.

Ms. Dunn said that if actual percentages were added, not compounding, (2.3% for 2003, 2.7% for 2004, 3.4% for 2005, and a projected 3.5% for 2006) the result is 11.9%.

The members referred to the legislative compensation excerpts from *The Book of the States: 2006 Edition* (Attachment L). Mr. Goux questioned if per diem should be considered.

Upon inquiry from Mr. Squires about full-time and part-time legislatures, Ms. Dunn replied that the National Conference of State Legislatures gathered information on this issue in 2004 (Attachment M). State legislatures were categorized as being red legislatures (80% or more of a full-time job), white legislatures (two-thirds of a full time job), and blue legislatures (half of a full-time job). Louisiana was listed as a white legislature.

Mr. Weaver said that if a 12% increase was applied, the resulting total would be \$25,536. This would be \$9,790 below the average for white states, according to the NCSL article. Mr. Weaver later clarified that the average for white states included per diem and, if such was added to the \$25,536 figure, the compensation for our legislators would then be in the average range.

Referring to the memorandum prepared by House Legislative Services Staff Patricia Lowrey-Dufour (Attachment N), Mr. Goux reviewed the salary allotment available to a legislator for legislative assistants.

Mr. Weaver clarified that the allotment can be split among two or three people if the legislator so chooses. The total remains that set by statute, he continued.

The problem with counting per diem as compensation, Mr. Weaver stated, is that it is very hard to compare from state to state because of factors such as travel within a district or the cost of housing from place to place. Mr. Weaver stated his opinion that per diem should not be counted as compensation. Dr. Jenkins agreed that it was not a fair comparison.

A motion was made by Dr. Jenkins, seconded by Dr. Mims, to recommend eliminating the \$6,000 unvouchered expense allowance and adding that figure to the base salary and then granting a 12% increase, and to make the changes effective with the new term on January 14, 2008. There being no objection, the motion passed unanimously by a vote of 5 yeas and 0 nays. Mr. Weaver, Mr. Goux, Dr. Jenkins, Dr. Mims, and Mr. Squires voted yea.

A table reflecting the motion is as follows:

<i>Effective 1/14/08</i>	Base Salary	+ \$6,000	Subtotal	12%	Total
Legislators	\$16,800	\$6,000	\$22,800	\$2,736	\$25,536
Presiding Officers	\$32,000	\$6,000	\$38,000	\$4,560	\$42,560
Pro Tempores	\$24,500	\$6,000	\$30,500	\$3,660	\$34,160

Dr. Mims said the commission may want to consider recommending that cost-of-living adjustments be made annually, as supported by the earlier testimony of Dr. Jenkins.

Mr. Weaver said staff has been instructed to include language to that effect in the report of the commission since all members were in agreement, but it will not be considered a specific recommendation.

Mr. Weaver said the commission will continue to meet as required and make appropriate recommendations.

Dr. Jenkins, on behalf of the commission, thanked the staff for the incredible data compiled for the commission's use and also commended the chairman for dealing with such a challenging and thorny issue for everyone. He asked that this be included in the commission's report.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:12 p.m.

Respectfully submitted,

Loy Weaver, Chairman
Compensation Review Commission

*The attachments for these minutes are on file with the House Legislative Services
Research Library and the House Committee on House and Governmental Affairs.*